

00- R -1685

(Do Not Write Above This Line)

A RESOLUTION  
BY COMMUNITY DEVELOPMENT/HUMAN RESOURCES  
COMMITTEE

A RESOLUTION EXPRESSING SUPPORT FOR THE  
FULTON COUNTY RESOLUTION, ADOPTED ON  
SEPTEMBER 20, 2000, IN SUPPORT OF EFFORTS  
TO PROHIBIT PREDATORY LENDING PRACTICES  
IN FULTON COUNTY AND THE CITY OF ATLANTA;  
AND FOR OTHER PURPOSES.

ADOPTED BY

NOV 06 2000

COUNCIL

- ☐ CONSENT REFER  
☐ REGULAR REPORT REFER  
☐ ADVERTISE & REFER  
☐ 1st ADOPT 2nd READ & REFER

Date Referred

Referred To:

First Reading

Committee \_\_\_\_\_  
Date \_\_\_\_\_  
Chair \_\_\_\_\_

Committee <i>CD/H/R</i>	Committee
Date <i>11/1/00</i>	Date
Chair <i>[Signature]</i>	Chair
Actions <i>[Signature]</i>	Actions
Fav, Adv, Held (see rev. side)	Fav, Adv, Held (see rev. side)
Other	Other
Members <i>[Signature]</i>	Members
Refer To <i>[Signature]</i>	Refer To

Committee	Committee
Date	Date
Chair	Chair
Actions	Actions
Fav, Adv, Held (see rev. side)	Fav, Adv, Held (see rev. side)
Other	Other
Members	Members
Refer To	Refer To

COUNCIL ACTION

- ☐ 2nd ☐ 1st & 2nd ☐ 3rd  
Readings
- ☒ Consent ☐ V Vote ☐ RC Vote

CERTIFIED

CERTIFIED  
NOV 6 2000  
*[Signature]*

CERTIFIED  
NOV 6 2000  
*[Signature]*  
MONTGOMERY

MAYOR'S ACTION

APPROVED  
NOV 14 2000  
*[Signature]*  
MAYOR



**CITY COUNCIL  
ATLANTA, GEORGIA**

**00- R -1685**

**A RESOLUTION  
BY COMMUNITY DEVELOPMENT/HUMAN RESOURCES COMMITTEE**

**A RESOLUTION EXPRESSING SUPPORT FOR THE FULTON COUNTY  
RESOLUTION, ADOPTED ON SEPTEMBER 20, 2000, IN SUPPORT OF EFFORTS  
TO PROHIBIT PREDATORY LENDING PRACTICES IN FULTON COUNTY AND  
THE CITY OF ATLANTA; AND FOR OTHER PURPOSES**

**WHEREAS**, the City of Atlanta is the largest City within Fulton County; and

**WHEREAS**, the City Council of Atlanta concurs with and supports the resolution adopted by Fulton County on September 20, 2000; and

**WHEREAS**, the City Council hereby reiterates the provisions, with appropriate amendments applicable to the City of Atlanta, included in the resolution dealing with predatory lending practices in Fulton County and the City of Atlanta, as follows; and

**WHEREAS**, housing is one of the most important assets held by residents and taxpayers in Fulton County and the City of Atlanta, including that portion of the City of Atlanta in DeKalb County; and

**WHEREAS**, an individual's investment in housing often represents the single most significant financial commitment of a lifetime; and

**WHEREAS**, it is in the best interests of Fulton County and the City of Atlanta Governments to help protect these assets in order to promote and preserve viable and prosperous neighborhoods throughout Fulton County and the City of Atlanta; and

**WHEREAS**, homeowners of the City of Atlanta, particularly African-American and elderly residents of Fulton County and the City of Atlanta are increasingly targeted by companies who engage in abusive and predatory lending practices, for the purpose of increasing the likelihood of foreclosures and the opportunity to take title in such properties; and

**WHEREAS**, the Metropolitan Atlanta area is number one in the nation for foreclosures, and during 1999, there were more than 7,348 foreclosures in the City of Atlanta, Fulton and DeKalb Counties; and

**WHEREAS**, it is the policy and intent of the Fulton County Board of Commissioners and the City of Atlanta City Council that the level of homeownership in Fulton County and the City of Atlanta be increased, and that the residents, taxpayers, and families of Fulton County and the City of Atlanta be protected from predatory lending practices to the fullest extent permitted by law; and



**WHEREAS**, the Fulton County Board of Commissioners and the Atlanta City Council support the federal and state governments, as well as the Freddie Mac and Fannie Mae lending agencies, to better regulate and expose predatory lending practices, in order to ensure that homeowners are not victimized by such practices and in order to ensure that there are laws in place to criminalize such practices; and

**WHEREAS**, the Fulton County Commission and the City of Atlanta support the efforts of DeKalb County to stop predatory lending practices; and

**WHEREAS**, Freddie Mac, Fulton and DeKalb Counties and the City of Atlanta have joined together in the “Don’t Borrow Trouble” campaign, recently launched in the Atlanta area to alert local families about the dangers of predatory lending.

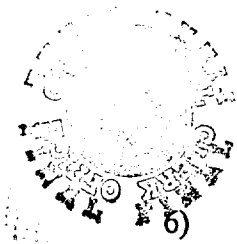
**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA AS FOLLOWS:**

**SECTION 1** That the Mayor of the City of Atlanta is authorized to cooperate with the efforts of Fulton County and DeKalb County, the involved agencies of the federal and state governments, and local community organizations to reduce and eliminate predatory lending practices.

**SECTION 2** That the Atlanta City Council supports the efforts by federal, state, and county authorities to enact laws and regulations that prohibit and criminalize predatory lending practices.

**SECTION 3** That the City Council hereby reiterates the provisions, with appropriate amendments applicable to the City of Atlanta, included in the aforesaid Fulton County resolution dealing with and defining what constitutes predatory lending practices in Fulton County and the City of Atlanta, as follows:

- 1) **Equity Theft:** The practice of acquiring excessive amounts of equity in residential properties, structured through loans characterized by unreasonably high interest rates, fees, or unaffordable payments, so as to increase the likelihood of default and foreclosure.
- 2) **Falsification of Loan Documents:** The practice of intentionally falsifying loan documents in order to exaggerate an individual’s ability to repay a loan, or the practice of placing an applicant’s signature or initials on loan documents, without the applicant’s knowledge and consent.
- 3) **Contracting with Incapacitated Borrowers:** The practice of making loans to homeowners who are clearly mentally incapacitated and, therefore, not able to understand the nature and obligations of the loan.
- 4) **Flipping:** The practice of successive, repeated refinancing of loans, in order to create new loans, for the purpose of increasing the likelihood of default and foreclosure.
- 5) **Excessive Balloons:** The practice of structuring loans such that at the end of the loan period, the borrower still owes most or all of the original principal, for the purpose of increasing the likelihood of default and foreclosure.



- 6) **Negative Amortization:** The practice of structuring loans such that the interest is not fully amortized during the life of the loan, thereby increasing the principal each month and increasing the likelihood of default and foreclosure.
- 7) **Insurance Packing:** The practice of charging exorbitant insurance premiums for credit insurance sold as part of a loan, without the knowledge and consent of the borrower, and the practice of unreasonably forcing the purchase of insurance in connection with the approval of a loan.
- 8) **Loans in Excess Value:** The practice of making loans to homeowners where the amount of the loan exceeds the value of the subject property, thereby making it difficult to refinance, and increasing the likelihood of default and foreclosure, leaving the possibility of a deficiency claim against the borrower.
- 9) **Excessive Prepayment Penalty:** The practice of imposing excessive prepayment penalties, in an effort to prevent the borrower from refinancing with other lenders, and in order to lock the borrower into a long-term unfavorable loan.
- 10) **Home Improvement Scams:** The practice of charging excessive fees and charges for home improvements contained in loan agreements which provide for excessive interest charges, and which increase the likelihood of default and foreclosure.
- 11) **Steering:** The practice of steering loan applicants with good credit to high rate lenders, for the purpose of increasing the likelihood of default and foreclosure.

A true copy,

*Shonda Daughin Johnson*  
Municipal Clerk, CMC

ADOPTED as amended by the Council  
APPROVED by the Mayor

NOV 06, 2000  
NOV 14, 2000

RCS# 2356  
11/06/00  
2:45 PM

Atlanta City Council

Regular Session

CONSENT

Pages 1-17

ADOPT

YEAS: 14  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 1  
EXCUSED: 0  
ABSENT 1

SEE ATTACHED LISTING OF  
ITEMS ADOPTED/ADVERSED  
ON CONSENT AGENDA

Y McCarty  
B Starnes  
Y Bond  
Y Winslow

Y Dorsey  
Y Wooldard  
Y Morris  
Y Muller

Y Moore  
Y Martin  
Y Maddox  
Y Boazman

Y Thomas  
Y Emmons  
Y Alexander  
NV Pitts

ITEM (S) REMOVED FROM  
CONSENT AGENDA  
00-R-1422  
00-R-1666

CONSENT

		11/06/00 Council Meeting
ITEMS ADOPTED ON CONSENT AGENDA	ITEMS ADVERSESED ON CONSENT AGENDA	ITEMS ADVERSESED ON CONSENT AGENDA
1. 00-O-1577 2. 00-O-1586 3. 00-O-1615 4. 00-O-1661 5. 00-O-1663 6. 00-O-1670 7. 00-R-1578 8. 00-R-1685 9. 00-R-1780 10. 00-R-1659 11. 00-R-1688 12. 00-R-1689 13. 00-R-1704 14. 00-R-1722 15. 00-R-1723 16. 00-R-1708 17. 00-R-1774 18. 00-R-1709 19. 00-R-1710 20. 00-R-1711 21. 00-R-1712 22. 00-R-1713 23. 00-R-1714 24. 00-R-1715 25. 00-R-1717 26. 00-R-1718 27. 00-R-1719 28. 00-R-1720 29. 00-R-1721	30. 00-R-1716 31. 00-R-1724 32. 00-R-1725 33. 00-R-1727 34. 00-R-1728 35. 00-R-1729 36. 00-R-1730 37. 00-R-1731 38. 00-R-1732 39. 00-R-1733 40. 00-R-1734 41. 00-R-1735 42. 00-R-1736 43. 00-R-1737 44. 00-R-1738 45. 00-R-1739 46. 00-R-1740 47. 00-R-1741 48. 00-R-1742 49. 00-R-1743 50. 00-R-1744 51. 00-R-1745 52. 00-R-1746 53. 00-R-1747 54. 00-R-1748 55. 00-R-1749 56. 00-R-1750 57. 00-R-1751 58. 00-R-1752	59. 00-R-1753 60. 00-R-1754 61. 00-R-1755 62. 00-R-1756 63. 00-R-1757 64. 00-R-1758 65. 00-R-1759 66. 00-R-1760 67. 00-R-1761 68. 00-R-1762 69. 00-R-1763 70. 00-R-1764 71. 00-R-1765 72. 00-R-1766 73. 00-R-1767 74. 00-R-1768 75. 00-R-1769 76. 00-R-1770 77. 00-R-1771 78. 00-R-1772 79. 00-R-1773